

Doc. 3000
4/21/88

RESOLUTION OF THE BOSTON REDEVELOPMENT AUTHORITY

RE: TENTATIVE DESIGNATION OF SOUTH PARK PARTNERSHIP IN ASSOCIATION WITH PAVILION LIMITED PARTNERSHIP AS REDEVELOPER FOR PARCEL RC-9, RD-60 AND A PORTION OF PARCEL 30 IN THE SOUTH END URBAN RENEWAL PROJECT AREA

WHEREAS, the Boston Redevelopment Authority, (hereinafter referred to as the "Authority"), has established an Urban Renewal Plan under Chapter 121B of the General Laws of the State of Massachusetts; and

WHEREAS, the Urban Renewal Plan for the South End Urban Renewal Area (hereinafter referred to as the "Project Area"), has been duly reviewed and approved in full compliance with local and State law; and

WHEREAS, South Park Partnership, in association with Pavilion Limited Partnership has expressed an interest in and has submitted a satisfactory proposal for the redevelopment of the South End Urban Renewal Area; and

WHEREAS, the Authority is cognizant of Chapter 30, Sections 61 through 62H of the Massachusetts General Laws, as amended, with respect to minimizing and preventing damage to the environment:

NOW, THEREFORE, BE IT RESOLVED BY THE BOSTON REDEVELOPMENT AUTHORITY:

1. That South Park Partnership, in association with Pavilion Limited Partnership be and hereby is tentatively designated as Redeveloper of RC-9, RD-60 and a portion of Parcel 30 in the South End Urban Renewal Area, subject to the submission of a memorandum of understanding, satisfactory to the Authority, outlining the relationship of the two teams regarding, at a minimum, equity participation, affordable housing requirements, social service programming and funding, appropriate changes in the design and development programming of both sites, MBE and WBE development participation on both sites, and the relationship with the transitional Housing Board.
2. That it is hereby determined that South Park Partnership, in association with Pavilion Limited Partnership together with its financial partners, possesses the qualifications and financial resources necessary to acquire and redevelop the land in accordance with the Urban Renewal Plan for the Project Area and the Development and Design Guidelines for the parcel.
3. That it is hereby found and determined that the proposed development will not result in significant damage to or impairment of the environment and further, that all practicable feasible means and measures will be taken to avoid or minimize damage to the environment and to design and construct the project in a manner that minimizes its use of fossil fuels.

MEMORANDUM

APRIL 21, 1988

TO: BOSTON REDEVELOPMENT AUTHORITY AND
STEPHEN COYLE, DIRECTOR

FROM: WILLIAM D. WHITNEY, ACTING ASSISTANT DIRECTOR FOR
URBAN DESIGN AND DEVELOPMENT
VICTOR KAREN, PROJECT MANAGER
NANCYELLEN HAYES, PROJECT MANAGER

RE: PARCEL TO PARCEL LINKAGE PROJECT II; PARK
SQUARE AND SOUTH END TRANSITIONAL HOUSING

SUBJECT: THIS MEMORANDUM REQUESTS THE TENTATIVE DESIGNATION OF
PAVILION CORPORATION IN ASSOCIATION WITH SOUTH PARK
PARTNERSHIP AS THE REDEVELOPER OF THE PARK SQUARE
PORTION OF THE PARCEL TO PARCEL LINKAGE II, AND
REQUESTS THE FURTHER TENTATIVE DESIGNATION OF SOUTH
PARK PARTNERSHIP IN ASSOCIATION WITH PAVILION
CORPORATION AS THE REDEVELOPER OF RC-9, RD-60, AND A
PORTION OF PARCEL 30 IN THE SOUTH END; AND FURTHER
AUTHORIZATION TO ENTER INTO A CONTRACT WITH THE SOUTH
END TRANSITIONAL HOUSING BOARD TO ACT AS THE CITIZEN
ADVISORY COMMITTEE FOR THE SOUTH END COMMUNITY, WITH
FUNDING UP TO \$25,000 FOR ADMINISTRATIVE AND LEGAL
EXPENSES TO BE RE-IMBURSED BY THE DEVELOPERS.

I. OVERVIEW

On January 28, 1988, the BRA Board voted to narrow the list of competitors for the Parcel to Parcel Linkage II development competition to two teams. South Park Partnership and Pavilion Corporation were invited to submit a revised proposal that, among other things, produced more housing units than the initial proposals, allowed both teams to share in the profits of the Park Square project, provided gap financing and an operating endowment for the transitional housing, adhered to BRA design and development guidelines, and ensured ongoing community review of both projects.

In consultation with the BRA, the South Park and Pavilion teams proceeded to meet in good faith to address these issues. Representatives of both teams also met with the Park Plaza CAC and the South End Transitional Housing Board.

At this time, consensus has been reached on a number of key issues. These points, summarized below, form a framework for proceeding toward tentative designations for the Park Square and South End projects. This framework achieves the objectives of

the Parcel to Parcel Linkage program by allocating \$5.7 million to the transitional housing program; over \$1 million to create moderate income housing in the South End; and an estimated \$3.4 million in equity participation and fees to the South Park Partnership.

This framework also ensures ongoing project review and participation by both communities. The Park Plaza Citizen Advisory Committee (CAC) will continue to carry out its mandate to review projects within the Park Plaza Urban Renewal Area. It is recommended that the South End Transitional Housing Board, with members representing project abutters, neighborhood associations, social service professionals, and other community residents, be named by the Authority to serve as the project advisory committee for the South End. To ensure maximum community participation in the design review of the South End project, a special subcommittee of the Board will be established, with membership extending to additional representatives of the surrounding neighborhood associations, abutters, and other interested residents.

To comply with the Board's directive in its vote on January 28, 1988, the teams have presented this revised framework to the Transitional Housing Board, the South End community at an open public meeting, and the Park Plaza CAC.

II. SOUTH END DESIGNATION: SOUTH PARK PARTNERSHIP

It is recommended that South Park Partnership, in association with Pavilion Corporation, be tentatively designated as redeveloper of Parcels RC-9, RD-60, and a portion of Parcel 30 in the South End Urban Renewal Area. South Park Partnership is comprised of Schochet Associates (Jay R. Schochet, President, and Peter A. Lewis); Northeast Management and Marketing Company, Inc. (Pamela G. McDermott, President); Charles T. Grigsby; and Feaster Enterprises (Joseph D. Feaster, President).

The following terms shall be incorporated into a Memorandum of Agreement between South Park Partnership and Pavilion Corporation and shall be considered terms for tentative designation:

- 1) South Park shall receive a developer's fee of 4 percent of the construction cost of the South End project, and shall be responsible for paying all pre-development costs associated with the South End project.
- 2) South Park shall be obligated to pursue diligently funds for the transitional housing units from MHFA SHARP/707, EOCD Housing Innovations Fund, and any other appropriate sources. Proceeds from the syndication of low-income housing tax credits for the thirty-six transitional units shall be used to fund the Transitional Housing Endowment Fund subject to

such requirements as may be imposed by MHFA or such other lenders as may be used to finance the project. South Park shall make every effort to identify a single institutional investor to purchase the credits.

- 3) South Park shall convey the thirty-six transitional housing units (fully furnished), day care space, and all related administrative space, to the Transitional Housing Board or its designee on a turnkey basis. The terms of the financing of the turnkey arrangement shall be subject to the approval of the BRA and the Transitional Housing Board, such approval not to be unreasonable withheld or delayed.
- 4) In the event that sales per square foot of the South End market rate condominiums exceed \$200 psf, the South Park Partnership shall share the excess profits equally with the Maintenance Endowment Fund for the South End project, and the SENHI Trust Fund provided that all project costs have been met.
- 5) The South End parcels shall be conveyed initially for \$1; and a fair reuse value per market rate South End unit shall be payable by South Park to the SENHI Trust Fund upon conveyance of such units.
- 6) South Park shall construct the South End project in strict conformance with BRA design guidelines and subject to ongoing community review.

III. PARK SQUARE DESIGNATION: PAVILION CORPORATION

It is recommended that Pavilion Corporation, in association with South Park Partnership, be tentatively designated as redeveloper for the Park Square sub-parcel and the Church/Charles sub-parcel of Parcel 2 of the Park Plaza Urban Renewal Area. Pavilion Corporation principals are Francis X. Messina, President, and Gerald M. Ridge, Chairman.

The following terms shall be incorporated into a Memorandum of Agreement between the Pavilion Corporation and the South Park Partnership, and shall be considered terms for tentative designation:

- 1) Upon closing of the South End project, Pavilion Corporation shall provide gap financing of up to \$5.0 million to cover development fees and the development cost gap for the transitional and on-site moderate-income South End units, said gap financing to be secured by development rights at Park Square and such other publicly-controlled collateral as may be necessary to bridge the gap in time between the start of the South End project and the Park Square project.

- 2) South Park shall receive \$1.75 million as equity participation in the Park Square project. These sums shall be paid on a pro rata basis (per net sellable square foot) by Pavilion as Park Square condominiums are conveyed.
- 3) South Park shall be guaranteed \$250,000 (in the aggregate) in professional fees for future services rendered to Pavilion in conjunction with the Park Square development. Specific services shall be as requested by Pavilion. These fees shall be paid as billed so long as the Park Square development is being actively pursued.
- 4) Pavilion shall contribute \$1 million generated by the Park Square project to the Transitional Housing Endowment Fund. If sufficient funds to enable cash payment of \$1 million have not been generated by the Park Square project upon initial occupancy of the transitional housing, then this obligation will be secured by development rights at Park Square or any such publicly-controlled collateral as may be necessary.
- 5) Pavilion shall contribute \$500,000 to underwrite the affordability of 25 housing units in the SENHI Phase I project to be determined by the BRA.
- 6) Pavilion shall construct the Park Square project in strict conformance with BRA design guidelines, and subject to on-going community review.

IV. THE TRANSITIONAL HOUSING BOARD

The South End Transitional Housing Board was appointed by the Mayor to design, own, and operate the transitional housing and day care service programs in the South End project. The Board is comprised of twenty-nine members representing abutters, four neighborhood associations, community development corporations, local social service agencies, legal and development professionals, and other concerned South End residents.

1. The Board shall form a non-profit 501(c)(3) corporation to own and operate the transitional housing program and day care services for the South End project and shall be responsible for all related programming, property management, and community relations.
2. The Board shall lease the transitional housing and day care facilities on a forty (40) year, net basis and shall have an option to purchase these facilities at Fair Market Value at the end of the tax credit syndication period.
3. The Board shall have fiduciary responsibility for the Transitional Housing Endowment Fund.

4. The Board shall design the transitional housing and day care service programs, including links with other local service providers, in/out placement, property management, and community relations.

These terms shall be incorporated into a contract with the Authority to establish the Transitional Housing Board as a project advisory committee. The Board shall receive a stipend of \$25,000, reimbursable by the developers upon closing, to fund legal and administrative expenses.

V. COMMUNITY PARTICIPATION

The South End and Park Square communities have participated in this Parcel to Parcel Linkage development competition from the onset. Both communities helped to formulate the competition guidelines; and more than eight community meetings were held to date.

The BRA Board's vote on January 28, 1988 inviting the South Park and Pavilion teams to submit a revised proposal, stipulates that both communities must remain actively involved in the ongoing review of the projects. Since the time of that vote, members of both teams have met with Park Plaza CAC, the South End Transitional Housing Board, and the South End community at a public meeting to review the communities' comments and concerns regarding the projects.

To ensure active and effective community review in this complex linkage project, it is recommended that community participation be facilitated through citizen advisory committees. For the Park Square project, the Park Plaza CAC will continue its role as the project advisory committee for the Park Plaza Urban Renewal Area.

The Transitional Housing Board's broad representation of abutting individuals and associations recommends it to be the official project advisory committee for the South End. If it accepts this responsibility, the Board shall establish a project review subcommittee, with adequate representation of abutting neighborhood associations and individuals, to review the design of the project at open public meetings. The Board shall be responsible for providing community-wide notice of such meetings.

VI. OTHER ISSUES

The BRA, the Transitional Housing Board and the developers have met on several occasions to discuss the terms of the Transitional Housing Board's economic participation and financial liability for the South End Project.

In addition to its active role as the owner and operator of the transitional housing and on-site day care facilities, and subject to further analysis of the tax implications of this

proposed structure, the transitional facilities will be sold for one dollar to a designee of the Transitional Housing Board, fully furnished and ready for operation. This sale will be subject to the agreements of a lease or right of first refusal which will allow the Board to purchase the facilities at the end of the tax syndication period, or other such agreed upon time, for an amount not to exceed fair market value. We are confident that the Board will have the leverage to purchase the project when the time to do so arrives. The eventual buy out of the limited partner(s) admitted for purposes of syndication can be accomplished with a number of sources or funds. If the limited partners are unwilling to convey the facilities for one dollar in exchange for a charitable tax deduction, the Board will have the following resources at their disposal: the Transitional Housing Endowment Fund, project income, public assistance such as linkage, or other programs that may be available at that time.

The following points address key issues of concern to the Transitional Housing Board:

1. The Transitional Housing Board will assume no liability for any mortgage or other debt secured by the South End Transitional Housing Project.
2. A \$1 million Maintenance Endowment Fund, separate from the Transitional Housing Endowment Fund, will be established to fund the maintenance costs for the 36 transitional units and related on-site facilities. The \$1 million will be funded out of linkage, by a 33 percent participation in the excess sales proceeds from market rate South End units, and by other programs that may be available at that time.
3. The City will work with the Transitional Housing Board, the developer, and the State to secure sufficient operating resources for the transitional housing social service program.

All of the issues listed above shall be resolved in more detail and to the satisfaction of the BRA and the Transitional Housing Board, the designated developers, and the community prior to final designation.

An appropriate vote and Resolutions follow:

VOTED: That the Director is hereby authorized to enter into a contract with the South End Transitional Housing Board to serve as the Project Advisory Committee for the South End community for the Parcel to Parcel Linkage II project, with contract funding up to \$25,000, to be reimbursed by the developers, to fund administrative and legal expenses incurred for project review and Transitional Housing Board organizational and start-up activities.

RESOLUTION OF THE BOSTON REDEVELOPMENT AUTHORITY

RE: TENTATIVE DESIGNATION OF PAVILION LIMITED PARTNERSHIP IN ASSOCIATION WITH SOUTH PARK PARTNERSHIP AS REDEVELOPER FOR THE PARK SQUARE SUBPARCEL AND CHURCH/CHARLES SUBPARCEL OF PARCEL 2 OF THE PARK PLAZA URBAN RENEWAL PROJECT AREA

WHEREAS, the Boston Redevelopment Authority, (hereinafter referred to as the "Authority"), has established an Urban Renewal Plan under Chapter 121B of the General Laws of the State of Massachusetts; and

WHEREAS, the Urban Renewal Plan for the Park Plaza Urban Renewal Area (hereinafter referred to as the "Project Area"), has been duly reviewed and approved in full compliance with local and State law; and

WHEREAS, the Authority is cognizant of the conditions that are imposed in the undertaking and carrying out of urban renewal projects under Chapter 121B, including those prohibiting discrimination because of race, color, sex, religion, or national origin; and

WHEREAS, Pavilion Limited Partnership, in association with South Park Partnership has expressed an interest in and has submitted a satisfactory proposal for the redevelopment of the Park Square parcel in the Park Plaza Urban Renewal Area; and

WHEREAS, the Authority is cognizant of Chapter 30, Sections 61 through 62H of the Massachusetts General Laws, as amended, with respect to minimizing and preventing damage to the environment:

NOW, THEREFORE, BE IT RESOLVED BY THE BOSTON REDEVELOPMENT AUTHORITY:

1. That Pavilion Limited Partnership, in association with South Park Partnership be and hereby is tentatively designated as Redeveloper of Park Square subparcel and Church/Charles Subparcel of Parcel 2 in the Park Plaza Urban Renewal Area, subject to the submission of a memorandum of understanding, satisfactory to the Authority, outlining the relationship of the two teams regarding, at a minimum, equity participation, affordable housing requirements, social service programming and funding, appropriate changes in the design and development programming of both sites, MBE and WBE development participation on both sites, and the relationship with the Transitional Housing Board.

2. That it is hereby determined that Pavilion Limited Partnership in association with South Park Partnership, together with its financial partners, possesses the qualifications and financial resources necessary to acquire and redevelop the land in accordance with the Urban Renewal Plan for the Project Area and the Development and Design Guidelines for the Parcel.

3. That it is hereby found and determined the proposed development will not result in significant damage to or impairment of the environment and further, that all practicable feasible means and measure will be taken to avoid or minimize damage to the environment and the design and construct the project in a manner that minimizes its use of fossil fuels.

4. That the Director be and hereby is authorized to execute a License for early entry on the Park Square subparcel and Church/Charles subparcel of Parcel 2 in the Park Plaza Urban Renewal Area with the Pavilion Limited Partnership, subject to the Authority's usual terms and conditions.